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SUBJECT: LEGAL AFFAIRS MINISTER TAKES AIM AT KHARTOUM
Ref: Khartoum 00813

1. (SBU) During a meeting with CG and USAID staff, a frustrated GoSS Minister of Legal Affairs Michael Makwei listed areas in which Khartoum had violated the Comprehensive Peace Agreement (CPA), or taken actions inimical to maintaining cordial relations with the South. Makwei cited examples of how legislation submitted by the Government of National Unity (GNU) and passed by the National Assembly in Khartoum ran counter to provisions in the CPA.

Banking Sector

2. (SBU) Makwei said that the GNU had just added a new provision to banking regulations that required indigenous banks to deposit USD 12 million, and foreign banks twice that amount, in the Central Bank of Sudan to be able to operate in Sudan (Comment: reftel, sourced in public announcements, listed these totals as \$6 and \$15 million, respectively. End Comment.) This provision would effectively put the recently opened Nile Bank Ltd. out of business - it did not have adequate resources to cover the required deposit - and presumably would keep the Commercial Bank of Kenya from opening its doors as well, since CBK was unlikely to put USD 24 million up front. Makwei fairly seethed that the SPLM's Elijah Malok, the Deputy Governor of the Central Bank of Sudan, had not notified the GoSS in advance of the new provision. Makwei said that the GoSS did not know how it would resolve the issue but was prepared to decree that Islamic banks could no longer operate in the South.

Security Situation

3. (SBU) Makwei cited a nighttime attack on the outskirts of Juba a day earlier in which unidentified gunmen had opened fire near the customs market, not far from the CG compound, panicking local residents into flight. No one was hurt or abducted, according to follow up reports. Makwei did not share the popular view that the Lord's Resistance Army - which is blamed for virtually every security incident in the South - was involved and wondered if this episode had not been staged by those who sought to purposely frighten the population and destabilize the situation in Juba.

Bashir to Name All Judges

4. (SBU) Makwei read the texts of recently promulgated laws that violate various articles of the CPA. He said that draft laws frequently went directly from GNU ministries to the National Assembly for immediate action

before the GoSS and its lawyers had reviewed the texts. One particularly egregious example was a new provision that gave the President of Sudan the authority to appoint all judges throughout Sudan, including in the South. Makwei said that the provision violated the CPA, the GoSS would simply ignore it, and he would travel to Khartoum to raise this and similar legislative violations of the CPA with the National Judicial Service Commission.

Still No Phones

¶5. (SBU) Makwei seethed over Khartoum's continued refusal to restore Mobitel cellular phone service to the South. Cell phone service has been shut off - for whatever reason - for most of the day for the past six months, and no one in the GNU has either explained why, or taken remedial action. Makwei said that Khartoum had refused to issue additional licenses to cell phone operators interested in working in the South. Khartoum had effectively paralyzed communication within South Sudan.

Comment

¶6. (SBU) Makwei was visibly vexed by decisions taken in Khartoum that hamper the South's ability to establish GoSS institutions and that appear designed to undermine implementation of the CPA. Makwei wryly concluded his litany of complaints by noting that "the day will come when we cross that river," and he was not referring to

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the Nile.

STEINFELD